



MEMORANDUM

To: Members of the Michigan House Great Lakes and Environment Committee

From: Doug Roberts, Jr., Director of Environmental and Energy Policy

Subject: House Bills 4763-4769 (Chemical Over-regulation Package)

Date: April 22, 2009

The purpose of this memo is to inform you that the Michigan Chamber of Commerce **opposes** House Bills 4763-4769, the Chemical Over-Regulation Package. This package of bills will drive up the cost of doing business in Michigan, is based on flawed science, and will increase costs to state government. We urge your opposition to this unnecessary legislation.

Unnecessary Cost to Business and Patchwork of Regulation

The most effective way to address issues related to chemical regulation and their impact on children's health is through Federal regulations. Currently, the United States has in place the Toxic Substance Control Act (TSCA). Section 8b of the existing TSCA requires the Environmental Protection Agency to gather and disseminate information about chemical production use and any adverse effects to human health and the environment.

House Bills 4763-4769 would create an unnecessary regulatory structure that will harm manufacturing job providers (that are trying to compete in a global economy) by mandating that they report to the Department of Community Health and the Department of Environmental Quality. This unnecessary regulation would have little benefit to the environment and would continue to hurt Michigan's business climate by imposing costs on Michigan job providers that few other states impose.

Poor Science

The legislative package lacks the scientific basis to establish such a regulatory structure. The legislation would allow state agencies to label products as containing chemicals of concern based upon "preliminary studies" from 3rd parties that have an agenda against manufacturers. This kind of junk science standard would put Michigan on par with third-world countries. Recently, in Vietnam and Korea, governments used reports by environmental groups to ban American products from store shelves. Later, the reports by the environmental groups were overturned, but it was too late to prevent significant damage to a good American company.

New Costs to State Government

In these tough economic times, Michigan cannot afford to fund programs which are duplicative of federal efforts, based on junk science and that will add substantial costs to the state budget. In Minnesota, where they are debating similar legislation, the legislature has earmarked \$500,000 in initial costs to the program, with those costs expected to increase. In the state of Washington, initial costs have been over \$400,000. Proper chemical safety assessments could cost the state of Michigan millions of dollars to have the necessary scientists and toxicologists. Given these costs, the state should defer regulation of chemicals to the Federal Government where they already have the staff, expertise, and resources.

We urge you to **vote no on HBs 4763-4769**. If you have any questions about our position, please feel free to contact me at 517-371-2100.

